

Commission to Modernize State Procurement
June 2, 2016 3:00 p.m.
16 Francis Street, 4th Floor Conference Room, Annapolis, MD 21401

Commissioners in Attendance

Lieutenant Governor Boyd K. Rutherford
Susanne Brogan, *Maryland State Treasurer Office*
John Gontrum, *Assistant Comptroller, Comptroller of Maryland*
Gail Bassette, *Secretary, Maryland Department of General Services*
Herb Jordan, *Deputy Special Secretary, Maryland Office of Minority Affairs*
Senator Stephen Waugh, *District 29, Member of the Education, Health and Environmental Affairs Committee*
Senator Jim Rosepepe, *District 21, Member of the Education, Health and Environmental Affairs Committee*
Michael Zimmerman, *Director, Maryland Department of Transportation, Office of Procurement*
Delegate Christopher West, *District 42B, Member of the Health and Government Operations Committee*
John Molnar, *Co-founder, Integrity Consulting*
Eric Regelin, *President, Granix, LLC.*
Sheila McDonald, Esq., *Executive Secretary, Maryland Board of Public Works*
Delegate Dan Morhaim, *District 11, Member of the Health and Government Operations Committee*
Sheryl Brissett-Chapman, *CEO, National Center for Children and Families*
Ronald Lipford, *CEO, Arel Architects Inc.*
Eileen Straughan, *President, Granix, LLC.*
Al Bullock, *Chief of Staff, Maryland Department of Information Technology*
Marc Nicole, *Deputy Secretary, Maryland Department of Budget & Management*

Welcome

The Commission to Modernize State Procurement (“the Commission”) convened for its third meeting at 3:00 PM on June 2, 2016.

Lieutenant Governor Boyd K. Rutherford opened the meeting and welcomed the Commissioners and audience.

Approval of Minutes

Secretary Bassette made a motion to approve the April 21, 2016, meeting minutes. Motion seconded and passed.

Report on first Regional Meeting (Bowie, May 10)

The first public regional meeting was held, on Tuesday, May 10, 2016, in Bowie, MD.

The Lt. Governor stated that the Commission received a lot of input from the vendor community and the general public. The Commission will focus on the following high level issues:

- Key Personnel
- Commodity Purchasing
- Improving procurement policies and procedures to save time and cut cost
- Statewide Contracts

The University System of Maryland was invited to participate in the next meeting.

Progress Reports from Workgroup Co-Chairs

Efficiencies Workgroup:

Since the last Commission meeting, the Efficiency Workgroup convened twice and each subgroup met at least once.

The Workgroup broke into three subgroups and enlisted a number of agency small and medium enterprises (SME) for assistance.

1. Commonality Subgroup:
 - a. Review of the Request For Proposal (RFP) Template
 - b. Review the A&E process, template and requirements by Maryland Department of Transportation (MDOT) & Department of General Services (DGS)
 - c. Review of Contract Terms & Conditions
 - d. Centralized point of access for staff and vendors
2. Technology Subgroup:
 - a. Will define what functionality we want moving forward and identify the different “tiers” of solutions
 - b. Looking at existing Financial Management Information System (FMIS) and eMaryland Marketplace (eMM) system capability
Working with FMIS SMEs to identify current functionality and available enhancements that have already been identified. Received detailed documentation of ADPICS and RSTARS Functionality from the MDOT FMIS team.
 - c. Look at systems and technology that is available in the market today
 - d. General consensus is that an actual solution evaluation and selection process is a significant undertaking and will require a more in-depth analysis
 - e. Leverage the resources from Computing Technology Industry Association (CompTIA) and others that have gone before us to get feedback on possible solutions
 - f. General consensus that future functionality should include a contract module that provides functionality for the contract to be developed, solicited, awarded, and managed
3. Reducing Overhead Subgroup:
 - a. Review procurement related Reporting Requirements for the state agencies as well as the vendor community and make recommendations on future necessity
 - b. Reduce Number of Documents submitted prior to award
 - c. Determine why there are so many frivolous protests, recommend methods to deter bidders from submitting frivolous protests
 - d. Curing RFP mistakes by both the Agency and Vendor community needs to be looked at and suggestions for improvements recommended

Workforce Workgroup:

Marc Nicole said the Workforce Workgroup had a meeting on June 1, 2016.

Workforce Workgroup's action items:

1. Standardizing best practices and COMAR interpretations across all State agencies
2. Developing Statewide procurement procedures manual, divided by industry sector
3. Developing Statewide procurement training curriculum
4. Addressing impediments to attracting and retaining quality procurement staff
5. Developing self-directed training module for businesses to learn how to bid on State contracts

Since last Commission meeting, the Efficiency Workgroup has:

- Met with National Association of State Procurement Officials (NASPO) and National Contract Management Association (NCMA) to get information on job classifications and survey job classification information in Maryland counties and neighboring states

According to Marc Nicole, the national organizations indicated Maryland procurement salaries fall on the low side of the national average. Maryland's average procurement salary of \$58,000 was in keeping with and slightly higher than those of Maryland counties in aggregate, but lower than those of some individual Maryland counties with which the State competes for staff. For example, Maryland's average procurement salary was lower than that of Montgomery (\$85,000), Anne Arundel (\$65,000), Baltimore City (\$61,000), and Baltimore County (\$61,000). Workgroup members are collecting additional information about state procurement salaries nationally to determine where Maryland's salaries fall regionally and nationally.

The Lt. Governor asked if the Workgroup has looked at procurement job certifications and qualifications. Marc Nicole responded that they will have that information available by the next Commission meeting.

- Collect information and training modules for procurement homepage.

Department of Budget Management (DBM) has been meeting with Department of Information Technology (DOIT) to discuss the template for the central eMaryland Marketplace website pages that will be managed by DOIT.

- Compare Board of Public Work's (BPW) Procurement Manual RFP with procurement manuals from other states additional content to include in Maryland procurement manual.

DBM reported that it continues collect content recommendations for Maryland's procurement manual and have contacted other states with exemplary procurement manuals to survey the process by which those states developed their procurements.

- Gap analysis, starting with a determination of factors affecting Maryland's procurement ranking in Governing Magazine article.

Workgroup members reported they will discuss Maryland's ranking and factors affecting it as a means to establishing Maryland's baseline procurement practices in relation to national standards with identified researchers from Governing magazine.

Initiatives Workgroup:

Secretary Bassette said the Initiatives Workgroup is co-chaired by the Governor's Office of Minority Affairs (GOMA) and DGS. They have had three meetings.

The Initiatives Workgroup said they established subgroups within the workgroup to tackle their initiatives:

1. Expand small procurement limit and single purchase limit for Corporate Purchase Cards (CPC)

DGS has reached out to NASPO and they conducted a survey of other state small procurement corporate card thresholds. 4 to 6 states have responded to the survey. 21 states small procurement threshold is \$25,000. 9 of the 21 states state procurement threshold is over \$50,000. Maryland is \$25,000 and DGS Construction is \$50,000. DGS plans on talking to the Georgia, because they have not increased their state procurement threshold but is a top ranked state.

2. Expand Small Business Reserve Program to all agencies

Workgroup Recommends:

- Increasing the goal to 10%
 - Changing designation
 - Look at levels of registration (some other states that have a micro SBR)
3. Streamlining the Certification Process
 - Make sure we're transparent with business people and communicating effectively
 - Address what is the actual process with steps
 4. Establish standards allowing State to obtain overall best value instead of only lowest price

Lt. Governor asked, if the Workgroup was looking into all preference programs and do they actually work? He would like to have a follow up discussion after consulting with the workgroups.

Office of Transformation and Renewal

The Lt. Governor said State Senator Robert R. Neall is the Director of the newly formed Office of Transformation and Renewal. As head of the Office of Transformation, Mr. Neall will look into the structure of state government. His primary focus will be on three areas: efficiency improvements, greater accountability and performance benchmarks, and improved customer

services throughout Maryland state government. There will be a lot of overlap between his office and the Commission. Workgroups need to take a look into how they are currently structured regarding procurement.

Public Comments

Recommendations to the Commission:

- To look at Competitive Seal Bidding
- Fresh look at Source Selection
- Too many Exemptions
- A&E Procurement Duration (note: Efficiencies Workgroup will look into)
- Continuous Ongoing Training

Questions/Concerns

The Commission will host its next regional meeting on June 14, 2016, in Catonsville, MD to receive input from the vendor community and the general public.

Meeting Adjourned at 4:38 p.m.